

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

ILCO Industries

California Manufacturing Technology Consulting

Ilco Industries Improves Quality, Increases Sales

Client Profile:

ILCO Industries, established in 1936, designs and fabricates fluid lines and fittings, tubular assemblies, flexible joints and ducts, sheet metal assemblies, and a patented air noise reduction technology for the aerospace and automotive industries. Major clients include Honeywell Automotive, The Boeing Company, Lockheed Martin, TRW Automotive, Hughes Space & Electronics, BF Goodrich, Textron Automotive and the United States Air Force. In 1999, ILCO generated sales of \$1.2 million with a staff of 34 employees.

Situation:

ILCO operated as a craftsman shop, relying solely on the expertise and experience of the staff; however, the company was bidding for large projects with several major clients, all of whom required their suppliers to be quality-certified or to meet industry standards for formalized Quality Systems. ILCO needed to implement formalized systems for design, manufacture, and control of product quality in order to meet client requirements. The company contacted the California Manufacturing Technology Center (CMTC), a NIST MEP network affiliate, for assistance.

Solution:

CMTC recommended that ILCO take part in an ISO 9000 Implementation Group, a series of workshops led by CMTC quality assurance experts aimed at assisting companies develop and implement quality management systems. The group of six companies met twice a month from January 1999 to October 1999. CMTC provided technical expertise, training materials, and facilitation.

The program included a series of structured workshops with lectures, extensive supplemental materials, and homework assignments applied directly to company-specific practices for implementing a quality system. Applying techniques learned in the workshops, ILCO analyzed, improved, and documented its most critical business processes. The company also learned how to apply ISO 9000 Implementation Group theory and practices as a template to implement quality systems specific to key customers.

Results:

Developed and implemented an ISO 9000-based quality management system.
Became a qualified supplier with key clients.

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Maintained 42 percent (\$500,000) of the sales base while increasing sales from \$1.2 million to \$1.8 million.

Reduced work-in-process by \$250,000.

Reduced on-time delivery from 2-3 weeks to 24-48 hours.

Retained six employees and added two more to a total of 36 employees.

Made a \$40,000 capital investment.

Testimonial:

"The California Manufacturing Technology Center showed us the way to make rapid quality changes to increase sales."

Elias Awad, PhD., President